UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

CONSORZIO DEL PROSCIUTTO
DI SAN DANIELE
v. **C.A. No.: 07-039ML**
DANIELE, INC.

DEFENDANT, DANIELE, INC.'S, MEMORANDUM OF LAW IN SUPPORT OF ITS OPPOSITION TO PLAINTIFF, CONSORZIO DEL PROSCIUTTO DI SAN DANIELE'S, MOTION FOR PARTIAL SUMMARY JUDGMENT

From the time the March 25, 2005 settlement agreement was entered into, Daniele, Inc. has spent $58,855.08 changing its packaging, revising its labels, printing a revised brochure, changing its website and revising the lettering on its packaging labels for prosciutto to comply with the terms of the March 25, 2005 settlement agreement. (See, the Affidavit of Vlado Dukcevich attached as Exhibit B).

Daniele, Inc. uses five (5) different trademarks on its five (5) different prosciutto products. The five (5) different trademarks distinguish the prosciutto products being sold by defendant. As an analogy, Nissan manufactures automobiles and uses a different trademark for each different automobile product. Each product is an automobile, but one is called *Altima* and one is called *Maxima*. Both vehicles are manufactured by Nissan.

Likewise, Daniele, Inc. manufactures different prosciutto products under five (5) product trademarks: *PRESIDENT'S RESERVE 400, PRESIDENT'S, GRAN PREMIO, RISERVA and DELI-CUT-O*. The only difference in this comparison is that one company's products are cars and one company's products are prosciutto. The analogy is the same.

When the Consorzio received copies of Daniele, Inc.'s labels in accordance with the terms of the settlement agreement, the Consorzio's main complaint was that the five (5) different trademarks were not true trademarks. Consorzio alleged that the words used were descriptive and were therefore not valid trademarks. Daniele, Inc.'s position has always been that the five (5) trademarks are not descriptive but are at most suggestive and are therefore valid trademarks. The Consorzio, realizing its argument was weak, has now argued that the five (5) trademarks, "conceding them to be valid," violate section 5 of the settlement agreement because the settlement agreement required one (1) different trademark on its prosciutto products and not five (5) different trademarks.

This is not a case of a missing trademark and/or a *de facto* trademark as alleged by the Consorzio. Completely absent from the Consorzio's memorandum of law is any purported argument that the five (5) trademarks being used by defendant are similar to and/or would cause confusion with "San Daniele," as prohibited by section 2.

To support the argument now being made that section 5 requires Daniele, Inc. to use one (1) and only one (1) trademark for the sale of its prosciutto, plaintiff cites two (2) criminal cases and one (1) civil case involving conversion of a negotiable instrument. In the two (2) criminal cases, State of Washington v. Shelly Ose, 156 Wash. 2d 140, 124 P.3d 635 (Wash. 2005) and State of Iowa v. Mark Kidd, 562 N.W. 2d 764 (Iowa 1997), the court addressed whether in the context of a criminal statute the words "a stolen access device" and the words "an offensive weapon" permitted the prosecution to charge a criminal with one or several counts under the respective legislative enactments. The court in each case interpreted the criminal statute to permit each criminal conduct to be penalized, that is, each offense was a single unit. These two cases in no way support the plaintiff's argument.

In the case of Copier Word Processing Supply, Inc. v. Wesbanco Bank, Inc., 220 W.Va. 39, 640 S.E. 2d 102 (W.Va. 2006), the court in looking at the civil case involving conversion of a negotiable instrument had to address whether the continuing tort theory applied to toll the three-year statute of limitations and the court stated the theory was inapplicable. *Id*. at 110. The court held that each time a negotiable instrument was converted, each separate act was a separate violation and each violation would start the period for the statute of limitations. *Id.* This case in no way supports the plaintiff's argument.

Plaintiff argues that the fictitious name, "Daniele, Inc." has become a *de facto* trademark for the sale of defendant's prosciutto, which is completely false. Daniele, Inc. is not a trademark. Daniele, Inc. is a fictitious corporate name which is being used as a trade name. The fictitious name, "Daniele, Inc." was adopted by defendant at the request of the plaintiff. Plaintiff objected to "Daniele International, Inc." being a trade name in relationship to the sale of prosciutto and ham and therefore "Daniele, Inc." was adopted. In accordance with section 2 and Exhibit A of the settlement agreement which was approved by plaintiff, defendant has the right to use the "Daniele, Inc." name in its logo on packaging and labels for its prosciutto products.

In accordance with section 5 of the settlement agreement, the word "prosciutto" can be used by Daniele, Inc. as a product designator in its labels, advertising and marketing material for prosciutto. In accordance with section 6 of the settlement agreement, in addition to the Daniele, Inc. logo trade name, defendant adopted five (5) trademarks for the sale of defendant's prosciutto products. The trade name "Daniele, Inc." is in letters no larger than one-fourth the size of the letters used in the five (5) trademarks as governed by section 6 of the agreement. Each of the five (5) trademarks is completely different from "San Daniele," as required by sections 2 and 5.

Defendant has spent the sum of $58,855.08 changing, revising, reprinting its product labels, advertising and marketing materials for the sale of its prosciutto in complying with the terms of the settlement agreement. (See, Exhibit B). As a matter of law, this court should find that defendant has duly complied with the terms and spirit of the agreement which is to prevent confusion in the minds of the customer as to the identification and geographical location of the two (2) parties and their respective goods. There is no confusion whatsoever between the five (5) trademarks being used by Daniele, Inc. and the term "San Daniele."

As a matter of law, this court should find that Daniele, Inc. is not prohibited from using the five (5) different trademarks because each is different from "San Daniele." This court should find as a matter of law that defendant did not materially breach section 5 of the settlement agreement. Count I of plaintiff's complaint should be dismissed and judgment should enter for defendant, Daniele, Inc. Plaintiff's motion for partial summary judgment should be denied and defendant's cross-motion for summary judgment as to Count I should be granted.

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CERTIFICATION

The undersigned hereby certifies that this document has been filed electronically on this 29th day of June, 2007 and is available for viewing and downloading to the ECF registered counsel of record:

Via Electronic Service/ECF:

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CERTIFICATION

The undersigned hereby certifies that a true copy of the within document was forwarded on this 29th day of June, 2007, via first class mail, postage pre-paid, to the following attorneys of record:

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